

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) May 17, 2021

Gray Television, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Georgia
(State or Other Jurisdiction
of Incorporation)

001-13796
(Commission
File Number)

58-0285030
(IRS Employer
Identification No.)

4370 Peachtree Road, NE, Atlanta, Georgia
(Address of Principal Executive Offices)

30319
(Zip Code)

404-504-9828
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each Class | Trading Symbol(s) | Name of each exchange on which registered |
|-------------------------------------|----------------------|--|
| Class A common stock (no par value) | GTN.A | New York Stock Exchange |
| common stock (no par value) | GTN | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

Beginning on May 17, 2021, Gray Television, Inc. intends to meet from time to time and make presentations to prospective investors. Exhibit 99.1 provides a copy of the slides that may be used in connection with and/or referenced in such meetings. Exhibit 99.1 is incorporated herein by reference.

The information set forth under this Item 7.01 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as may be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

99.1 [Prospective Investor Meeting Slides](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Gray Television, Inc.

May 17, 2021

By: /s/ James C. Ryan

Name: James C. Ryan

Title: Executive Vice President and
Chief Financial Officer



gray
Television • Digital • Mobile

**Gray Television, Inc.
Investor Presentation
NYSE:GTN**

May 2021

Updated for March 31, 2021 Financial Information

4370 Peachtree Road, NE, Atlanta, GA 30319 | P 404.504.9828 | F 404.261.9607 | www.gray.tv

Leading the Industry with the Highest Quality Portfolio of Local Television Stations



Financial data reflects results "as reported" except where "Combined Historical Basis" (or "CHB") is noted. Revenue is presented net of agency commissions. Ratings data derived from Comscore, Inc. ("Comscore"). "Completed Transactions" includes all acquisitions or dispositions completed as of December 31, 2020. See Glossary at end for definitions. If Appendix is not included, see full presentation located at www.gray.tv for Non-GAAP Reconciliations.



Gray Announces Two Acquisitions Transforming It Into the Nation's Second Largest Broadcaster

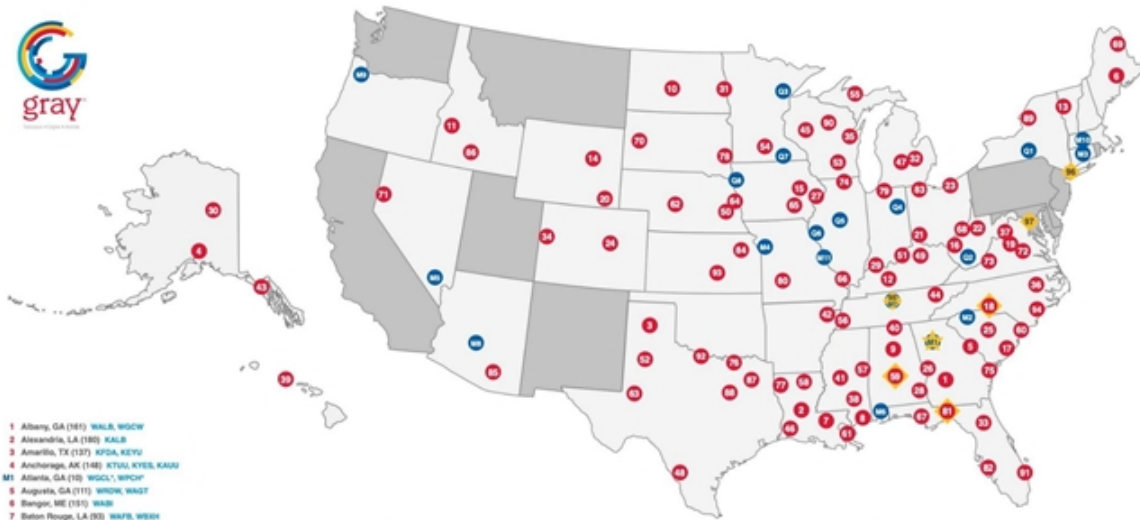
113

TV markets reaching
36% US TVHH

89%

Markets with #1/#2
Ranked Stations

Gray Television's New National Footprint



- 1 Albany, GA (141) WKLB, WDCW
- 2 Alexandria, LA (180) KALB
- 3 Amarillo, TX (137) KPDA, KEYU
- 4 Anchorage, AK (148) KTUU, KYUR, KAAN
- 5 Atlanta, GA (116) WGCL, WUPF
- 6 Augusta, GA (111) WISN, WAGT
- 7 Bangor, ME (111) WABW
- 8 Baton Rouge, LA (93) WAFB, WBSH
- 9 Biloxi-Culpeper, MD (153) WLOK
- 10 Binghamton, NY (156) WISB-TV
- 9 Birmingham, AL (201) WBNC
- 10 Bismarck, ND (143) KPYN, KMOT, KODS, KUMV
- 11 Boise, ID (152) KSNH
- 12 Bowling Green, KY (178) WISD
- 13 Burlington, VT (261) WCAZ, WYCI
- 14 Casper, WY (200) KCWY
- 15 Cedar Rapids, IA (92) KCRG
- 16 Charleston, SC (88) WCSC
- 17 Charleston-Huntington, WV (14) WSAZ, WDCW
- 18 Charlotte, NC (231) WBTX
- 19 Charlottesville, VA (188) WVMR
- 20 Cheyenne, WY (136) KGMW, KSTP
- 21 Cincinnati, OH (241) WKXH
- 22 Clarksburg, WV (176) WQTV, WXPX
- 23 Cleveland, OH (116) WOIO, WUAB
- 24 Colorado Springs, CO (86) KKTV
- 25 Columbia, SC (76) WIS
- 26 Columbus, GA (128) WTVM
- 27 Danvers, IA (211) KWOC
- 28 Dallas, AL (172) WTVY, WRXG
- 29 Duluth, MN (136) KBIA, KDLH, KM
- 30 Evansville, IN (107) WPIE
- 31 Fairbanks, AK (208) KTVB, KXOR, KXPX
- 32 Fargo, ND (100) KXLY, KULB
- 33 Flint, MI (84) WJRT, WJSP
- 34 Ft. Wayne, IN (134) WPTA, WISR
- 35 Gainesville, FL (168) WFLB
- 36 Grand Junction, CO (181) KKCO, KJCT
- 37 Green Bay, WI (80) WBAY
- 38 Greenville, NC (96) WFTN
- 39 Greenville-Spartanburg, SC (37) WHNS
- 40 Harrisburg, VA (171) WRXK, WBYT, WBYW
- 41 Hartford, CT (261) WFSB
- 42 Hattiesburg, MS (168) WDSM
- 43 Honolulu, HI (86) KHNL, KOWH, KPVE, KOGG, KXII
- 44 Huntsville, AL (81) WXPX
- 45 Jackson, MS (97) WLBT
- 46 Jonesboro, AR (182) KATZ
- 47 Joplin, MO (107) KATN, KYEX, KCCT, KURD
- 48 Kansas City, MO (271) KCTV, KSMO
- 49 Knoxville, TN (89) WXLV, WREX
- 50 La Crosse-Eau Claire, WI (138) WISN
- 51 Lake Charles, LA (170) KPLC
- 52 Lansing, MI (106) WLXL
- 53 Laredo, TX (188) KQML, KTXL, KQHU
- 54 Las Vegas, NV (281) KVVU
- 55 Lexington, KY (87) WKYT, WWSW
- 56 Lincoln, NE (154) KOLR, KSNB, KSNL, KSNH, KSNL
- 57 Louisville, KY (189) WDRB
- 58 Lubbock, TX (142) KLBK, KLBK, KXII, KXII
- 59 Madison, WI (261) WISN
- 60 Mankato, MN (198) KEYC, KMMP
- 61 Marquette, MI (177) WLUC
- 62 Memphis, TN (82) WMC
- 63 Meridian, MS (190) WTKR
- 64 Mobile, AL (84) WMLA
- 65 Monroe, LA (148) KNOE
- 66 Montgomery, AL (118) WSPA
- 67 Myrtle Beach, SC (88) WMBF
- 68 Nashville, TN (291) WWSN
- 69 New Orleans, LA (311) WYES
- 70 North Platte, NE (208) KNOP, KNPL, KOT
- 71 Odessa, TX (160) KQSA, KQWQ, KYLE, KWYT
- 72 Omaha, NE (72) WOTW
- 73 Oshkosh, WI (281) KXOB
- 74 Paducah, KY-Cape Girardeau, MO (81) KPVS
- 75 Panama City, FL (138) WJHG, WDCP
- 76 Parkersburg, WV (182) WISN, WBYE, WOKA
- 77 Peoria, IL (116) WISN
- 78 Phoenix, AZ (131) KPNV, KTVI
- 79 Portland, OR (251) KPVM, KPVM
- 80 Prosser-Jay, ME (206) WAGB, WWPX
- 81 Quincy, IL (172) WISN
- 82 Rapid City, SD (172) KOTA, KEVA, KHSO, KSDW
- 83 Reno, NV (109) KOLN
- 84 Richmond, VA (84) WWSW, WUPV
- 85 Roanoke, VA (76) WOLR, WZLJ
- 86 Rochester, IL (130) WRRP
- 87 Rochester, MN-Mason City, IA (156) KTRT
- 88 Savannah, GA (87) WTOG
- 89 Sherman, TX (143) KXX, KXSP
- 90 Shreveport, LA (96) KSLA
- 91 Sioux City, IA (147) KISW
- 92 Sioux Falls, SD (111) KSPX, KDLT, KPIR, KDLV
- 93 South Bend, IN (84) WNDU, WLSV
- 94 Springfield, MA (116) WGGP, WSHR
- 95 Springfield, MO (79) KYTX, KSPR, K17DL, KYCW
- 96 St. Louis, MO (211) KMOU
- 97 Tallahassee, FL (112) WCTV, WFSU
- 98 Tampa-St. Pete (St. Petersburg), FL (111) WWSB
- 99 Toledo, OH (78) WTVG
- 100 Topeka, KS (148) WISN
- 101 Tucson, AZ (75) KOLD
- 102 Twin Falls, ID (188) KMYT, KMYT
- 103 Tyler, TX (112) KLTU, KTRB
- 104 Waco, TX (86) KWYS, KSTX, KXCT
- 105 Waterbury, NY (174) WWSN, WWSN
- 106 Wausau, WI (134) WSAW, WZLX, WYOW
- 107 West Palm Beach, FL (41) WFLX
- 108 Wichita, KS (88) KWCH, KSCW, KESD, KESL, KESN
- 109 Wichita Falls, TX (154) KSWO, KXTM
- 110 Wilmington, NC (124) WECT
- 111 Charlotte, NC Raycom Sports
- 112 Montgomery, AL Operations, Shared Services
- 113 Tallahassee, FL Operations, Shared Services
- 114 Nashville, TN 5th Studio, Circle 56
- 115 New York, NY Sports Region
- 116 Washington, DC Gray DC Bureau, Full Court Press
- 117 Atlanta, GA Gray Corporate Headquarters, Setel Floor

©2014 Gray Television

Two Excellent Acquisitions



Combination Highlights⁽¹⁾

- 79 #1 Rated TV Stations
- \$3.1 Billion in 2019/2020 CHB Blended Revenue
- Combined Quincy + Meredith is anticipated to be approximately 50% accretive to blended 2021/2022 FCF
- Highest CHB OCF⁽²⁾ / TVHH in the Industry

Source: Company filings, Nielsen and Comscore

(1) Gives effect to all other pending acquisitions and required regulatory divestitures

(2) Combined Historical Basis Operating Cash Flow as defined in the Senior Credit Agreement is equivalent to the presentation of Adj. EBITDA

February 1: Gray to Acquire Quincy Media

- On February 1, 2021, Gray announced its acquisition of Quincy Media, Inc. for \$925 million in cash. On April 29, 2021, Gray announced the divestiture of 10 of Quincy's stations in seven overlap markets to Allen Media Broadcasting, LLC for \$380 million.
- Acquisition to add 8 new markets, each with the #1 or #2 ranked television station. Closing expected in Q3 2021, following expected receipt of regulatory and other approvals
- Purchase price represents a multiple of 6.9x '19/'20 EBITDA including \$23 million of expected year-1 annualized synergies.

May 3: Gray to Acquire Meredith Local Media Group

- On May 3, 2021, Gray announced its agreement to acquire Meredith Corporation's Local Media Group for \$2.7 billion in cash. Gray will divest one of its currently owned television stations in the companies' only overlap market.
- Acquisition to add 11 new markets, including the #1 or #2 ranked television station in 8 markets. Closing expected in Q4 2021, following receipt of regulatory and other approvals.
- Purchase price represents a multiple of 7.9x '19/'20 operating cash flow including \$55 million of expected year-1 annualized synergies.

Combined Company Snapshot



(\$ in Millions)

| | Gray + Quincy ⁽¹⁾ | Meredith Local Media Group (RemainCo) | Gray + RemainCo | Pro Forma Impact |
|--|------------------------------|--|------------------------|---------------------|
| Financial Profile | | | | |
| 2019 / 2020 CHB Blended Net Revenue | \$2,372 | \$770 | \$3,141 | ↑ 32% |
| 2019 / 2020 CHB Blended OCF | \$889 | \$286 | \$1,230 ⁽²⁾ | ↑ 38% |
| % Margin | 37% | 37% | 39% | |
| Scale | | | | |
| Markets | 101 | 12 | 113 | ↑ 12% |
| Gross TV Household Reach | 25.0% | 11.2% | 36.2% | |
| Asset Quality | | | | |
| Markets with #1 / #2 Ranked Stations | 93 | 8 | 101 | ↑ 9% |
| 2018 CHB Political Revenue | \$262 | \$135 | \$397 | ↑ 52% |
| 2020 CHB Political Revenue | \$473 | \$219 | \$692 | ↑ 46% |
| 2020 CHB Gross Retransmission Revenue | \$904 | \$366 | \$1,270 | ↑ 41% |
| Big 4 Network Affiliated Channels | | | | |

Source: Nielsen and Comscore

Note: RemainCo financial information compiled from unaudited financial statements of Local Media Group

(1) Pro forma for the divestiture of Quincy's seven overlap markets and Gray's station in Flint, MI; includes \$23 million of synergies

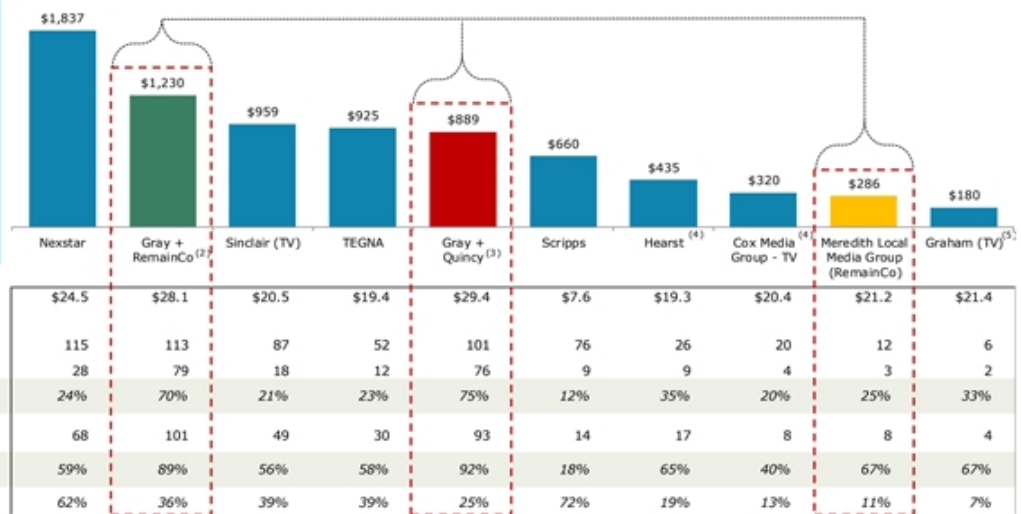
(2) Includes \$55 million of synergies

Gray Will be the Second Largest TV Broadcast Group with the Highest Quality Assets



2019 / 2020 CHB Blended Adj. EBITDA⁽¹⁾

TV Broadcast Affiliate Group Owners



Source: Company filings, Wall Street research, BIA Investing in Television Market Report, Nielsen and Comscore

Note: Dollars in millions, except Adj. EBITDA / TV household; RemainCo financial information compiled from unaudited financial statements of Local Media Group

(1) Adj. EBITDA for Gray is Operating Cash Flow as defined in the Senior Credit Agreement

(2) Includes \$55 million of synergies

(3) Pro forma for the divestiture of Quincy's seven overlap markets and Gray's station in Flint, MI; includes \$23 million of synergies

(4) EBITDA estimates are derived from 2019 BIA revenue and extrapolate '19A/'20E based on peer revenue growth and average peer EBITDA margin

(5) Based on 2020 broadcast revenue of \$525 million and extrapolated based on estimated television peer revenue growth and '19A/'20A EBITDA margin for Graham's broadcast segment



An Industry Leading Power

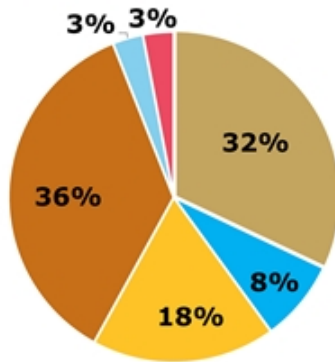
The following data is for
Gray Television, Inc.
BEFORE
giving effect to the pending
Quincy and Meredith
Acquisitions.

Diversified Revenue



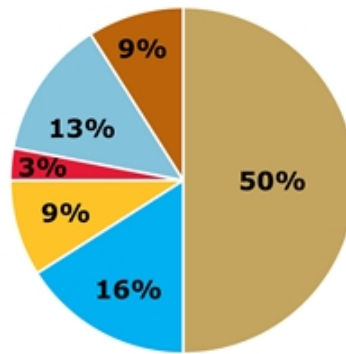
2020 Revenues

- Local
- National
- Political
- Retransmission
- Production Companies
- Other-TV Stations

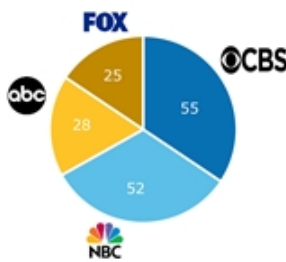


Approximate Advertising Revenue Contributions 2019-2020

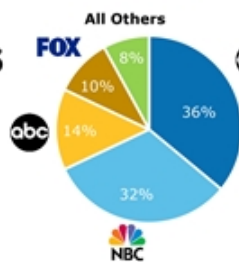
- Local News
- Network Prime
- Network News
- Network Sports
- Syndication
- Other



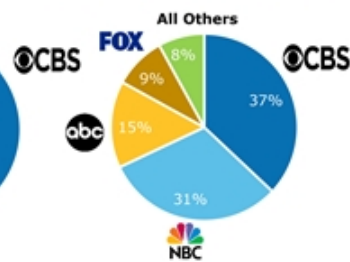
2020 Big 4 Affiliates



2020 Revenues



2020 Broadcast Cash Flow



Well Positioned for Political Revenue

Gray's Local News Stations Serve the Most Competitive Political Areas

2021 Gubernatorial Races (2)

Gray Stations in 4 VA markets.

2022 Gubernatorial Races (37)

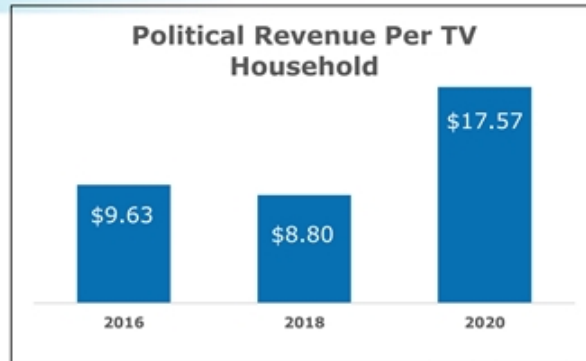
Gray stations in 28 states: AK, AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, KS, ME, MI, MN, NE, NH, NY, NV, OH, OK, SC, SD, TN, TX, VT, WI, WY

2022 US Senate Races (34)

Gray stations in 27 states: AK, AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MO, NC, ND, NY, OH, OK, VT, NH, NV, SC, SD, WI

2022 House Races

All Districts, All Markets



Revenue per company filings shown in millions of dollars. TV Household estimates from Comscore. Gray data for 2016 is CHB for all transactions completed as of 12/31/16 and Gray data for 2018 is CHB for all transactions completed as of 12/31/19.



Gray data is CHB for all transactions completed as of 12/31/19.

Strong Network and Distribution Positions



MVPD Subscribers Year-End Renewal Schedule

55% - 2020
(and 2023)

25% - 2021
(and 2024)

20% - 2022
(and 2025)

2021



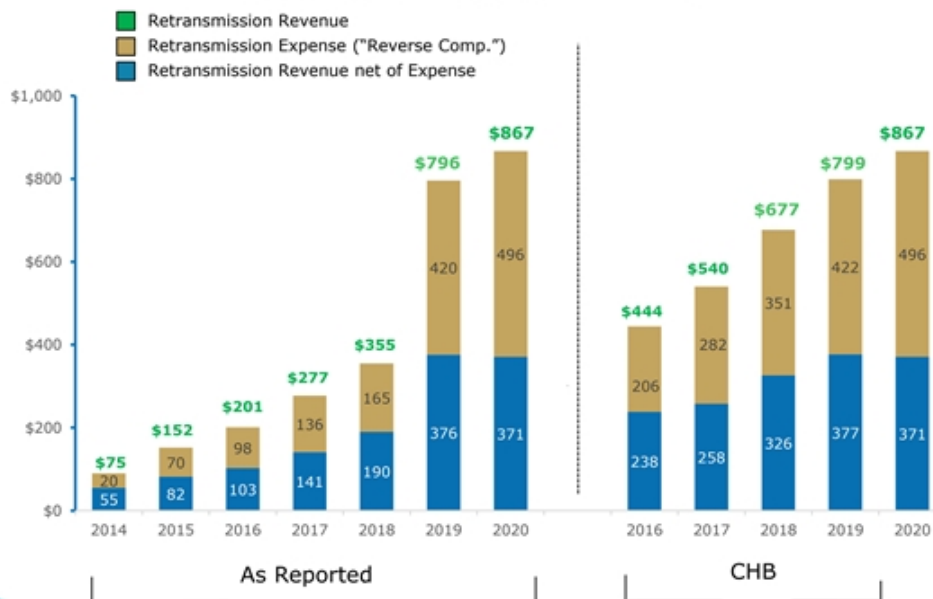
2022



2023



Retransmission Revenue (\$ in millions)



Successful Digital Ventures



RECORD BREAKING GROWTH FOR GRAY'S PLATFORM IN 2020 OVER 2019:

- ↑ 2020 SESSIONS: +24%
- ↑ 2020 VIDEO PLAYS: +13%
- ↑ 2020 USERS: +37%
- ↑ 2020 PAGE VIEWS: +13%

1.1 BILLION MONTHLY AGGREGATE USERS IN 2020



Gray's in-house Digital Agency Servicing over 2,200 campaigns monthly.
With a suite of 15+ products and service offerings.

PREMION
ONE SOLUTION. EVERY ADVANTAGE.

Premion delivers brand-safe CTV and OTT impressions at scale, with full transparency for advertisers, across 125+ premium networks.

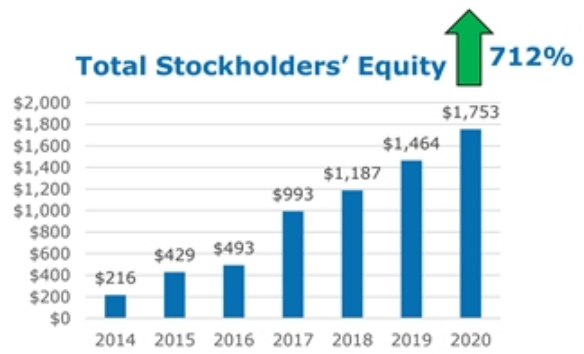
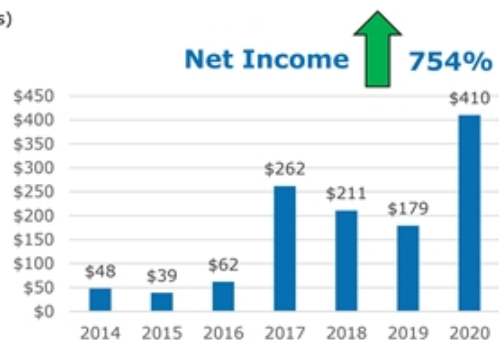
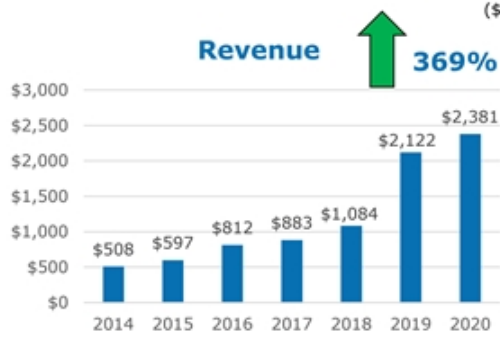
vuit
LIVE • LOCAL • FREE

Provides a free, ad-supported national streaming service with live and on-demand video streaming channels, with both local and unique programming.

Consistent Growth (As Reported Basis)



(\$ in millions)

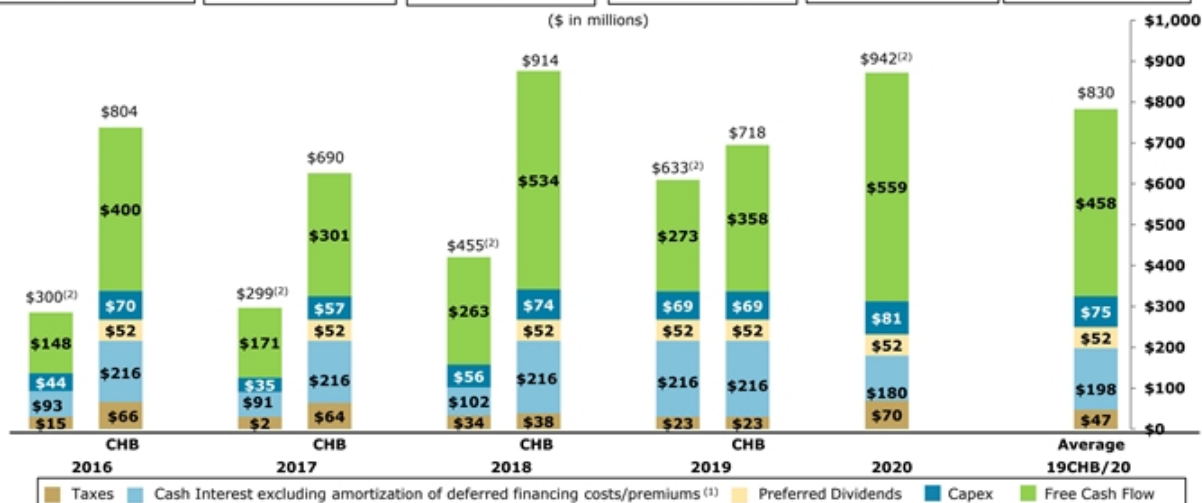


Robust Free Cash Flow Generation and Conversion



| Presidential Election Year 2016 OCF Buildup | Non-Election Year 2017 OCF Buildup | Midterm Election Year 2018 OCF Buildup | Non-Election Year 2019 OCF Buildup | Presidential Election Year 2020 OCF Buildup | 2019 CHB 2020 Average |
|--|---|---|---|--|--------------------------------------|
| FCF Per Diluted Share \$2.04 \$4.75 | FCF Per Diluted Share \$2.32 \$3.53 | FCF Per Diluted Share \$2.96 \$5.32 | FCF Per Diluted Share \$2.72 \$3.58 | FCF Per Diluted Share \$5.76 | FCF Per Diluted Share \$4.65 |
| FCF as a Percentage of OCF 49% 50% | FCF as a Percentage of OCF 57% 44% | FCF as a Percentage of OCF 58% 58% | FCF as a Percentage of OCF 43% 50% | FCF as a Percentage of OCF 59% | FCF as a Percentage of OCF 55% |

(\$ in millions)



(1) CHB interest expense for 2016, 2017, 2018 and 2019 estimated with incremental indebtedness and estimated cash interest relating to acquisition debt financing as if the acquisition debt financing had occurred on the first day of the period reported

(2) As reported OCF is equal to Broadcast Cash Flow less Cash Corporate Expenses plus Pension Expense less Pension Contributions

Successful Integration of Acquisitions And Meaningful Deleveraging

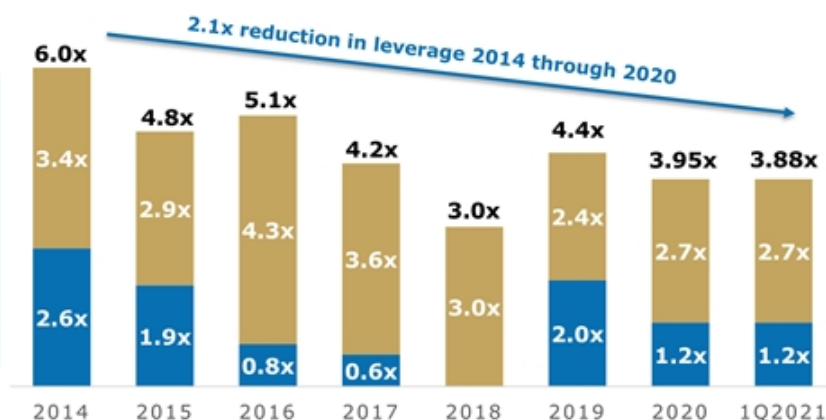


Financial Leverage Net of All Cash (as defined in our Senior Credit Facility)

**Guidance
YE 2021⁽¹⁾ Net
Leverage Ratio:**

Approximately 5.3x

Projected total debt (excluding preferred stock) net of all cash, assuming no M&A other than the Quincy Media and Meredith acquisitions on trailing 8-quarter basis



As of the respective period end:

| | | | | | | | | |
|--|------------------------|---------|---------|---------|---------|---------|---------|---------|
| Total debt netting all cash (in millions) | \$1,201 ⁽³⁾ | \$1,134 | \$1,456 | \$1,399 | \$1,154 | \$3,548 | \$3,262 | \$3,217 |
| LBQA ⁽⁴⁾ OCF ⁽²⁾ (in millions) | \$200 | \$235 | \$288 | \$336 | \$383 | \$816 | \$826 | \$829 |

Note: Financial leverage excludes preferred stock

- (1) Secured debt netting all cash on hand as of the respective balance sheet date
- (2) Operating Cash Flow ("OCF") as defined under the existing credit agreement, which includes adjustments for all transactions completed as of the respective balance sheet dates
- (3) For 2014 and 2021, total debt netting all cash includes \$10 million and \$1 million in undrawn letters of credit, respectively
- (4) Last eight quarter average OCF as calculated in the applicable quarterly compliance certificate

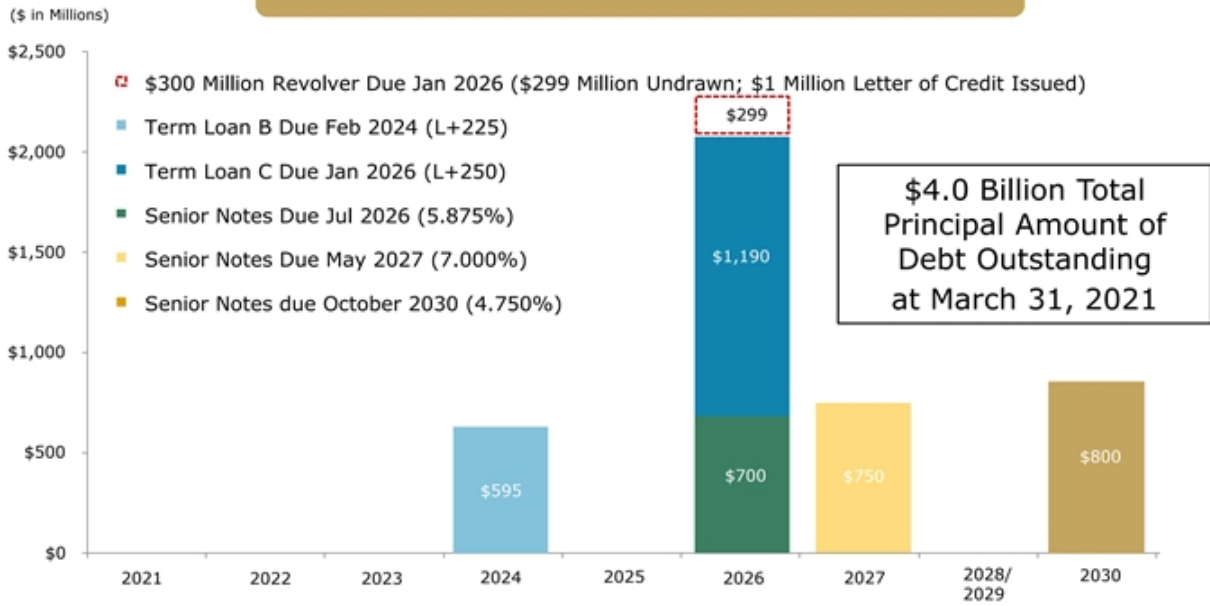
■ Unsecured Debt Netting All Cash / OCF⁽²⁾

■ Secured Debt Netting All Cash⁽¹⁾ / OCF⁽²⁾

Staggered Debt Maturity Profile



No Maturities until 2024



Note: For illustrative purposes, excludes Incremental Term Loan B amortization

| | Three Months Ended March 31, | | | | |
|---|------------------------------|---------------|-----------------------------|---------------|-----------------------------|
| | 2021 | 2020 | % Change 2021 to 2020 | 2019 | % Change 2021 to 2019 |
| Revenue (less agency commissions): | | | | | |
| Broadcasting | \$ 530 | \$ 515 | 3 % | \$ 481 | 10 % |
| Production companies | 14 | 19 | (26)% | 37 | (62)% |
| Total revenue | <u>\$ 544</u> | <u>\$ 534</u> | 2 % | <u>\$ 518</u> | 5 % |
| Political advertising revenue | \$ 9 | \$ 36 | (75)% | \$ 3 | 200 % |
| Operating expenses (1): | | | | | |
| Broadcasting | \$ 361 | \$ 335 | 8 % | \$ 356 | 1 % |
| Production companies | \$ 17 | \$ 19 | (11)% | \$ 35 | (51)% |
| Corporate and administrative | \$ 18 | \$ 15 | 20 % | \$ 48 | (63)% |
| Net income (loss) | \$ 39 | \$ 53 | (26)% | \$ (18) | 317 % |
| Non-GAAP Cash Flow (2): | | | | | |
| Broadcast Cash Flow | \$ 168 | \$ 181 | (7)% | \$ 123 | 37 % |
| Broadcast Cash Flow Less | | | | | |
| Cash Corporate Expenses | \$ 153 | \$ 168 | (9)% | \$ 78 | 96 % |
| Free Cash Flow | \$ 78 | \$ 85 | (8)% | \$ 17 | 359 % |
| Transaction related expenses included in operating expenses (3) | | | | | |
| Broadcasting | \$ - | \$ - | | \$ 36 | |
| Production companies | \$ - | \$ - | | \$ - | |
| Corporate and administrative | \$ 1 | \$ - | | \$ 32 | |

(1) Excludes depreciation, amortization and (gain) loss on disposal of assets.

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein.

(3) Transaction Related Expenses are incremental expenses incurred specific to acquisitions and divestitures, including but not limited to, legal and professional fees, severance and incentive compensation and contract termination fees.

| | Year Ended December 31, | | | | |
|--|-------------------------|-----------------|-----------------------------|-----------------|-----------------------------|
| | 2020 | 2019 | % Change 2020 to 2019 | 2018 | % Change 2020 to 2018 |
| | (dollars in millions) | | | | |
| Revenue (less agency commissions): | | | | | |
| Broadcasting | \$ 2,320 | \$ 2,035 | 14 % | \$ 1,084 | 114 % |
| Production companies | 61 | 87 | (30)% | - | |
| Total revenue | <u>\$ 2,381</u> | <u>\$ 2,122</u> | 12 % | <u>\$ 1,084</u> | 120 % |
| Political advertising revenue | \$ 430 | \$ 68 | 532 % | \$ 155 | 177 % |
| Operating expenses (1): | | | | | |
| Broadcasting | \$ 1,340 | \$ 1,325 | 1 % | \$ 596 | 125 % |
| Production companies | \$ 52 | \$ 74 | (30)% | \$ - | |
| Corporate and administrative | \$ 65 | \$ 104 | (38)% | \$ 41 | 59 % |
| Net income | \$ 410 | \$ 179 | 129 % | \$ 211 | 94 % |
| Non-GAAP Cash Flow (2): | | | | | |
| Broadcast Cash Flow | \$ 999 | \$ 729 | 37 % | \$ 493 | 103 % |
| Broadcast Cash Flow Less Cash Corporate Expenses | \$ 945 | \$ 636 | 49 % | \$ 457 | 107 % |
| Free Cash Flow | \$ 559 | \$ 273 | 105 % | \$ 263 | 113 % |
| Transaction related expenses included in operating expenses (3): | | | | | |
| Broadcasting | \$ - | \$ 45 | | \$ 3 | |
| Production companies | \$ - | \$ - | | \$ - | |
| Corporate and administrative | \$ 1 | \$ 34 | | \$ 8 | |

(1) Excludes depreciation, amortization and (gain) loss on disposal of assets.

(2) See definition of non-GAAP terms and a reconciliation of the non-GAAP amounts to net income included elsewhere herein.

(3) Transaction Related Expenses are incremental expenses incurred specific to acquisitions and divestitures, including but not limited to, legal and professional fees, severance and incentive compensation and contract termination fees.



**Appendix: Non-GAAP Reconciliations,
Disclaimers, and Definitions**

Non-GAAP Reconciliation



Reconciliation of Non-GAAP terms on As Reported Basis, in millions

| | Three Months Ended | | |
|--|--------------------|--------------|--------------|
| | March 31, | | |
| | 2021 | 2020 | 2019 |
| Net income (loss) | \$ 39 | \$ 53 | \$ (18) |
| Adjustments to reconcile from net income (loss) to Free Cash Flow: | | | |
| Depreciation | 25 | 21 | 20 |
| Amortization of intangible assets | 26 | 26 | 29 |
| Non-cash stock-based compensation | 4 | 4 | 3 |
| Non-cash 401(k) expense | 1 | - | - |
| Gain on disposal of assets, net | (4) | (6) | (10) |
| Miscellaneous expense (income), net | (1) | 1 | (3) |
| Interest expense | 48 | 52 | 58 |
| Income tax expense | 15 | 18 | 3 |
| Amortization of program broadcast rights | 9 | 9 | 10 |
| Payments for program broadcast rights | (9) | (10) | (14) |
| Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation | 15 | 13 | 45 |
| Broadcast Cash Flow | 168 | 181 | 123 |
| Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation | (15) | (13) | (45) |
| Broadcast Cash Flow Less Cash Corporate Expenses | 153 | 168 | 78 |
| Interest expense | (48) | (52) | (58) |
| Amortization of deferred financing costs | 3 | 3 | 3 |
| Preferred stock dividends | (13) | (13) | - |
| Common stock dividends | (8) | - | - |
| Purchases of property and equipment | (13) | (27) | (18) |
| Reimbursements of property and equipment purchases | 4 | 6 | 12 |
| Free Cash Flow | \$ 78 | \$ 85 | \$ 17 |

Non-GAAP Reconciliation



Reconciliation of Non-GAAP terms on As Reported Basis, in millions

| | Year Ended December 31, | | | |
|--|----------------------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2018 | 2017 |
| Net income | \$ 410 | \$ 179 | \$ 211 | 262 |
| Adjustments to reconcile from net income to Free Cash Flow: | | | | |
| Depreciation | 96 | 80 | 54 | 52 |
| Amortization of intangible assets | 105 | 115 | 21 | 25 |
| Non-cash stock-based compensation | 16 | 16 | 7 | 8 |
| Gain on disposal of assets, net | (29) | (54) | (17) | (74) |
| Miscellaneous expense (income), net | 5 | (4) | (6) | - |
| Interest expense | 191 | 227 | 107 | 95 |
| Loss on early extinguishment of debt | 12 | - | - | 3 |
| Income tax expense | 134 | 76 | 77 | (69) |
| Amortization of program broadcast rights | 38 | 39 | 21 | 21 |
| Non-cash 401(k) expense | 6 | 5 | 4 | - |
| Payments for program broadcast rights | (39) | (43) | (22) | (21) |
| Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation | 54 | 93 | 36 | 27 |
| Broadcast Cash Flow (1) | 999 | 729 | 493 | 329 |
| Corporate and administrative expenses before depreciation, amortization of intangible assets and non-cash stock-based compensation | (54) | (93) | (36) | (27) |
| Broadcast Cash Flow Less Cash Corporate Expenses (1) | 945 | 636 | 457 | 302 |
| Contributions to pension plans | (3) | (3) | (2) | (3) |
| Interest expense | (191) | (227) | (107) | (95) |
| Amortization of deferred financing costs | 11 | 11 | 5 | 4 |
| Preferred stock dividends | (52) | (52) | - | - |
| Purchase of property and equipment | (110) | (110) | (70) | (35) |
| Reimbursements of property and equipment purchases | 29 | 41 | 14 | - |
| Income taxes paid, net of refunds | (70) | (23) | (34) | (2) |
| Free Cash Flow | \$ 559 | \$ 273 | \$ 263 | \$ 171 |

(1) Amounts in 2017 have been reclassified to give effect to the implementation of ASU 2017-07.

Non-GAAP Reconciliation



Reconciliation of Non-GAAP terms on a Combined Historical Basis, in millions

| | Year Ended | | |
|---|---------------|---------------|---------------|
| | December 31, | | |
| | 2019 | 2018 | 2017 |
| Net income | \$ 157 | \$ 288 | \$ 648 |
| Adjustments to reconcile from net income to | | | |
| Free Cash Flow: | | | |
| Depreciation | 81 | 86 | 86 |
| Amortization of intangible assets | 115 | 117 | 124 |
| Non-cash stock-based compensation | 16 | 15 | 14 |
| Gain on disposal of assets, net | (35) | (7) | (155) |
| Miscellaneous (income) expense, net | (3) | 4 | 1 |
| Interest expense | 227 | 227 | 227 |
| Loss from early extinguishment of debt | - | - | 5 |
| Income tax (benefit) expense | 76 | 74 | (354) |
| Amortization of program broadcast rights | 40 | 42 | 41 |
| Common stock contributed to 401(k) plan | | | |
| excluding corporate 401(k) contributions | 4 | 4 | - |
| Payments for program broadcast rights | (44) | (42) | (41) |
| Corporate and administrative expenses excluding | | | |
| depreciation, amortization of intangible assets and | | | |
| non-cash stock-based compensation | 92 | 72 | 54 |
| Broadcast Transaction Related Expenses | 45 | 3 | 3 |
| Broadcast other adjustments | 8 | 11 | 13 |
| Broadcast Cash Flow (1) | 779 | 894 | 666 |
| Corporate and administrative expenses excluding | | | |
| depreciation, amortization of intangible assets and | | | |
| non-cash stock-based compensation | (92) | (72) | (54) |
| Broadcast Cash Flow Less Cash Corporate Expenses (1) | 687 | 822 | 612 |
| Contributions to pension plans | (3) | (2) | (3) |
| Corporate Transaction Related Expenses | 34 | 14 | 1 |
| Synergies and other adjustments | - | 80 | 80 |
| Operating Cash Flow as Defined in Senior Credit Facility (1) | 718 | 914 | 690 |
| Interest expense | (227) | (227) | (227) |
| Amortization of deferred financing costs | 11 | 11 | 11 |
| Preferred dividends | (52) | (52) | (52) |
| Purchase of property and equipment | (110) | (88) | (57) |
| Reimbursement of purchases of property and equipment | 41 | 14 | - |
| Income taxes paid, net of refunds | (23) | (38) | (64) |
| Free Cash Flow | \$ 358 | \$ 534 | \$ 301 |

(1) Amounts in 2017 have been reclassified to give effect to the implementation of ASU 2017-07.

Reconciliation of Total Leverage Ratio (in millions)



| | Eight Quarters Ended March 31, 2021 | |
|--|--|-----------------------|
| Net income | \$ | 648 |
| Adjustments to reconcile from net income to Operating Cash Flow as defined in our Senior Credit Agreement: | | |
| Depreciation | | 181 |
| Amortization of intangible assets | | 218 |
| Non-cash stock-based compensation | | 32 |
| Gain on disposal of assets, net | | (77) |
| Interest expense | | 408 |
| Loss on early extinguishment of debt | | 12 |
| Income tax expense | | 221 |
| Amortization of program broadcast rights | | 75 |
| Common stock contributed to 401(k) plan | | 12 |
| Payments for program broadcast rights | | (81) |
| Pension benefit | | (2) |
| Contributions to pension plans | | (6) |
| Adjustments for stations acquired or divested, financings and expected synergies during the eight quarter period | | 2 |
| Transaction Related Expenses | | 15 |
| Operating Cash Flow as defined in our Senior Credit Agreement | \$ | 1,658 |
| Operating Cash Flow as defined in our Senior Credit Agreement, divided by two | \$ | 829 |
| | | March 31, 2021 |
| Adjusted Total Indebtedness: | | |
| Total outstanding principal, including current portion | \$ | 4,035 |
| Letters of credit outstanding | | 1 |
| Cash | | (819) |
| Adjusted Total Indebtedness, Net of All Cash | \$ | 3,217 |
| Total Leverage Ratio, Net of All Cash | | 3.88 |

Non-GAAP Terms

From time to time, Gray supplements its financial results prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") by disclosing the non-GAAP financial measures Broadcast Cash Flow, Broadcast Cash Flow Less Cash Corporate Expenses, Operating Cash Flow as defined in Gray's Senior Credit Agreement, Free Cash Flow and Total Leverage Ratio, Net of All Cash. These non-GAAP amounts are used by us to approximate the amount used to calculate key financial performance covenants contained in our debt agreements and are used with our GAAP data to evaluate our results and liquidity. These non-GAAP amounts may be provided on an As-Reported Basis as well as a Combined Historical Basis.

| | |
|---|--|
| "Broadcast Cash Flow" or "BCF" | Net income or loss plus loss from early extinguishment of debt, non-cash corporate and administrative expenses, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses and broadcast other adjustments less any gain on disposal of assets, any miscellaneous income, any income tax benefits and payments for program broadcast rights. |
| "Broadcast Cash Flow Less Cash Corporate Expenses" | Net income or loss plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses and broadcast other adjustments less any gain on disposal of assets, any miscellaneous income, any income tax benefits and payments for program broadcast rights. |
| "Free Cash Flow" or "FCF" | Net income or loss plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses, broadcast other adjustments, certain pension expenses, Corporate Transaction Related Expenses, synergies, other adjustments and amortization of deferred financing costs less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast rights, pension income, contributions to pension plans, preferred dividends, purchase of property and equipment (net of reimbursements) and income taxes paid (net of any refunds received). |
| "Operating Cash Flow" or "OCF" | Defined in our Senior Credit Agreement as net income or loss plus loss from early extinguishment of debt, non-cash stock based compensation, depreciation and amortization (including amortization of intangible assets and program broadcast rights), any loss on disposal of assets, any miscellaneous expense, interest expense, any income tax expense, non-cash 401(k) expense, Broadcast Transactions Related Expenses, broadcast other adjustments, certain pension expenses, Corporate Transaction Related Expenses, synergies and other adjustments less any gain on disposal of assets, any miscellaneous income, any income tax benefits, payments for program broadcast rights, pension income and contributions to pension plans. |
| "Total Leverage Ratio, Net of All Cash" | Our Total Leverage Ratio, Net of All Cash is determined by dividing our Adjusted Total Indebtedness, Net of All Cash by our Operating Cash Flow as defined in our Senior Credit Agreement, divided by two. Our Adjusted Total Indebtedness, Net of All Cash represents the total outstanding principal of our long-term debt, plus certain other obligations as defined in our Senior Credit Agreement, less all cash (excluding restricted cash). Our Operating Cash Flow as defined in our Senior Credit Agreement, divided by two, represents our average annual Operating Cash Flow as defined in our Senior Credit Agreement for the preceding eight quarters. |

These non-GAAP terms are not defined in GAAP and our definitions may differ from, and therefore not be comparable to, similarly titled measures used by other companies, thereby limiting their usefulness. Such terms are used by management in addition to and in conjunction with results presented in accordance with GAAP and should be considered as supplements to, and not as substitutes for, net income and cash flows reported in accordance with GAAP.

Disclaimers, Definitions, and Non-GAAP Financial Data



This presentation contains certain forward looking statements that are based largely on Gray Television, Inc.'s ("Gray", "Gray Television", "GTN" or the "Company") current expectations and reflect various estimates and assumptions by Gray. These statements may be identified by words such as "estimates", "expect", "anticipate", "will", "implied", "assume" and similar expressions. Forward looking statements are subject to certain risks, trends and uncertainties that could cause actual results and achievements to differ materially from those expressed in such forward looking statements. Such risks, trends and uncertainties which in some instances are beyond Gray's control, include Gray's inability to complete the integration of our acquisition of Quincy, the inability to achieve expected synergies therefrom on a timely basis or at all, estimates of future retransmission revenue, future expenses and other future events. Gray is subject to additional risks and uncertainties described in Gray's quarterly and annual reports filed with the Securities and Exchange Commission from time to time, including in the "Risk Factors," and management's discussion and analysis of financial condition and results of operations sections contained therein. Any forward looking statements in this presentation should be evaluated in light of these important risk factors. This presentation reflects management's views as of the date hereof. Except to the extent required by applicable law, Gray undertakes no obligation to update or revise any information contained in this presentation beyond the published date, whether as a result of new information, future events or otherwise.

Combined Historical Basis reflects financial results that have been compiled by adding Gray's historical revenue and broadcast expenses to the historical revenue and broadcast expenses of the stations acquired in the completed transactions and subtracting the historical revenues and broadcast expenses of stations divested in the completed transactions as if they had been acquired or divested, respectively, on January 1, 2016 (the beginning of the earliest period presented).

Combined Historical Basis financial information does not include any adjustments for other events attributable to the completed transactions except "Broadcast Cash Flow," "Broadcast Cash Flow Less Cash Corporate Expenses," "Operating Cash Flow," "Operating Cash Flow as Defined in the Senior Credit Agreement" and "Total Leverage Ratio, Net of All Cash" each give effect to expected synergies, and "Free Cash Flow" on a Combined Historical Basis gives effect to the financings and certain expected operating synergies related to the completed transactions. "Operating Cash Flow," "Operating Cash Flow as Defined in the Senior Credit Agreement" and "Total Leverage Ratio, Net of All Cash" on a Combined Historical Basis also reflect the add-back of legal and other professional fees incurred in completing acquisitions. Certain of the Combined Historical Basis financial information has been derived from, and adjusted based on, unaudited, unreviewed financial information prepared by other entities, which Gray cannot independently verify. We cannot assure you that such financial information would not be materially different if such information were audited or reviewed and no assurances can be provided as to the accuracy of such information, or that our actual results would not differ materially from the Combined Historical Basis financial information if the completed transactions had been completed at the stated date. In addition, the presentation of Combined Historical Basis, "Broadcast Cash Flow," "Broadcast Cash Flow Less Cash Corporate Expenses," "Operating Cash Flow," "Operating Cash Flow as Defined in the Senior Credit Agreement," "Total Leverage Ratio, Net of All Cash," "Free Cash Flow," and the adjustments to such information, including expected synergies resulting from such transactions, may not comply with GAAP or the requirements for pro forma financial information under Regulation S-X under the Securities Act.



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